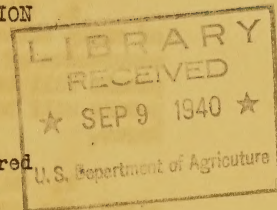


August 13, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.



TO: DEALERS HANDLING SCRAP TOBACCO

Re: Records and Reports for Flue-cured
Tobacco Marketing Quota Program

This letter and the enclosed Supplement 2 to Form 40-Tob-42 have been prepared after discussion with persons engaged in the handling of scrap tobacco. The instructions herein are applicable only with respect to farms for which within quota marketing cards have been issued.

If any scrap tobacco is purchased from a farm and part or all of such tobacco is subject to penalty the farmer and the dealer buying the tobacco will appear in person before a field assistant of the Marketing Quota Section and obtain special instructions with respect to the records and reports for such tobacco.

FORMS TO BE USED

Persons handling scrap tobacco will need to be familiar with the preparation of the following forms:

40-Tob-28--Within Quota Marketing Card and Memorandum of Sale

40-Tob-35--Dealer's Record

As indicated below, if any person buys scrap tobacco at the farm and in turn sells it to a registered dealer who is operating a regular receiving point for scrap tobacco the person who bought the tobacco at the farm will not need to keep a record on Form 40-Tob-35 with respect to such scrap tobacco.

RESPONSIBILITY OF PERSONS BUYING SCRAP TOBACCO AT THE FARM
AND DELIVERING SAME TO REGULAR SCRAP TOBACCO RECEIVING POINT

Each person who buys any lot of scrap tobacco at the farm will obtain a memorandum of sale (Form 40-Tob-28) to cover such scrap tobacco. When any load of scrap tobacco is delivered at a receiving point the buyer at the farm also will deliver to the person to whom he sells the scrap tobacco all memoranda of sale covering the load of scrap tobacco.

Any person making a purchase of scrap tobacco from a farmer will make the following entries on the memorandum of sale and the marketing card for the farm:

a. On the inside front cover of the marketing card the pounds of scrap tobacco will be entered in the space provided for the particular memorandum of sale and in the same line to the left of the number of pounds will be entered the word "scrap". To the right of the number of pounds will be entered the name and registration number and State of the buyer.

b. On the memorandum of sale will be entered in the space provided, the pounds of scrap tobacco, the amount paid to the farmer for such scrap tobacco, the date of the transaction, the name and registration number and state of the buyer in the space headed "Warehouse and Date Issued". Beside each entry of the number of pounds on the memorandum will be entered the word "scrap". If the person buying the tobacco is not himself a registered dealer but is acting on behalf of a registered dealer the name and registration number and the state of the buyer and dealer should be entered in accordance with the following example:

John Doe Company
by Richard Roe, Buyer

D-00 N. C.

c. The farm operator will sign on the back of the memorandum of sale in the space provided. If the signature of the operator is by mark it is to be witnessed.

RESPONSIBILITY OF DEALERS
OPERATING SCRAP TOBACCO RECEIVING POINTS

A. Memoranda of sale. A memorandum of sale shall not be accepted as covering a sale by a farmer unless the memorandum and the marketing card in which such memorandum is contained are presented by the farmer himself. A person buying tobacco at the farm shall not take the marketing card for the farm to the receiving point for the purpose of issuing or having a memorandum issued unless accompanied by the farm operator. Any memorandum presented by a person who bought tobacco at the farm shall not be valid unless entries have been made thereon prior to its delivery to the dealer at the receiving point showing the name and the registration number and state of the person buying the tobacco at the farm and unless all other entries have been properly made as provided thereon.

1. Scrap tobacco delivered by farmers. In the case of scrap tobacco delivered by farmers themselves at a regular receiving point the dealer operating the receiving point will prepare the memoranda of sale in the same manner as a person who buys the scrap tobacco at the farm.
2. Scrap tobacco delivered by "truckers." Whenever a load of scrap tobacco is delivered by a trucker the dealer operating the receiving point will require delivery to him of memoranda of sale covering each

lot of scrap tobacco in the load and will see that the total quantity of such tobacco shown on the memoranda of sale covering the load is approximately equal to the actual weight as determined at the receiving point, and in no event more than 15 percent above or below the actual weight.

The memoranda of sale covering each load of scrap tobacco will be fastened together so that entries in the Dealer's Record based thereon can be checked by the field assistant. There will be shown on the first memorandum of sale in the group the total pounds of scrap tobacco in the load and the amount paid to the trucker for such tobacco.

3. Dealer's Record--Form 40-Tob-35. The dealer operating the receiving point will keep a record on Form 40-Tob-35. For each truck load of scrap tobacco received from a trucker buying under his own dealer's license an entry will be made on a line in Form 40-Tob-35 showing the name of the trucker, his registration number and State, the number of memoranda of sale for the load (in the space headed "Reg. No. and State or Memo. of Sale No."), the actual weight of the scrap tobacco as determined at the receiving point and the amount paid to the trucker for such tobacco. The pounds and the amount paid for the scrap tobacco will be entered under the column headed "Resales."

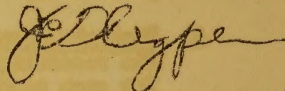
If the trucker is buying from farmers as the representative of the dealer who is operating the receiving point the registration number of such dealer will be shown beside the name of the trucker on Form 40-Tob-35, and the pounds of scrap tobacco and the amount paid to the trucker for the tobacco will be entered under the column head "Purchases".

For all scrap tobacco purchased directly from farmers at the receiving point during any day the pounds of such tobacco received and the amount paid to farmers during the day will be totaled and entries therefor will be made on one line in Form 40-Tob-35. The scrap tobacco will be shown as "Received from farmers" and the pounds and dollars will be entered under the column headed "Purchases."

4. Reports to the Marketing Quota Section and checking by field assistants. The dealer receiving the tobacco will make reports directly to the Marketing Quota Section by signing and sending in the yellow copy of Form 40-Tob-35, Dealer's Record. Such reports should be filed at the end of the week in which the scrap tobacco recorded on the particular y ges

was received, but in no event later than the end of the next calendar week following the week covered by the report.

Each such dealer will make available the records and memoranda of sale covering scrap tobacco delivered to each receiving point to field assistants of the Marketing Quota Section who will check such records and forward the memoranda of sale to the field officer in charge in that area.



J. E. Thigpen,
Chief, Marketing Quota Section.

Enclosure: